

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 189085

65

ORIGIN EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 AGR-05 SP-02 AID-05

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

OPIC-03 XMB-02 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 PA-01 PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00

/088 R

DRAFTED BY EB/ICD/TRP:TJO'DONNELL:BLO

APPROVED BY EB/ORF:SWBOSWORTH

ARA/LA/BR:RELTZ

----- 076117

O R 301542Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA IMMEDIATE

INFO AMEMBASSY BOGOTA

AMEMBASSY LONDON

AMCONSUL RIO DE JANEIRO

AMEMBASSY SAN SALVADOR

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE STATE 189085

E.O. 11652: N/A

TAGS: ETRD, EAGR, BR

SUBJECT: BRAZILIAN PURCHASE OF EL SALVADORIAN COFFEE

REFS: (A) BRASILIA 6611, (B) RIO DE JANEIRO 2825

1. DEPARTMENT APPRECIATES PROMPT AND FORCEFUL REPRESENTATIONS REPORTED IN REFTELS.

2. BRAZILIAN AMBASSADOR PINHEIRO, ACCOMPANIED BY THOMPSON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 189085

FLORES, ECONOMIC COUNSELOR, CALLED ON DEPUTY ASSISTANT

SECRETARY BOSWORTH AFTERNOON OF JULY 28 TO PRESENT AIDE MEMOIRE ON REPORTED BRAZILIAN PURCHASES OF SALVADORIAN COFFEE. TEXT OF AIDE MEMOIRE BEING REPEATED SEPTTEL.

3. IN HIS ORAL PRESENTATION, AMBASSADOR REPEATED POINTS IN THE AIDE MEMOIRE AND STRESSED THAT GOB WAS AWARE OF THE SENSITIVE SITUATION WITH THE RATIFICATION OF THE NEW COFFEE AGREEMENT UNDER CONSIDERATION BY THE CONGRESS. HE EMPHASIZED THAT ANY PURCHASES WOULD BE NEEDED TO MEET THE NEEDS OF THE BRAZILIAN SOLUBLE COFFEE INDUSTRY AND WOULD NOT REPRESENT AN ATTEMPT TO MANIPULATE THE MARKET. HE EXPRESSED THE HOPE THE EXECUTIVE BRANCH WOULD CONTINUE TO PRESS FOR RATIFICATION OF THE ICA.

4. BOSWORTH REPLIED THAT WE WOULD STUDY THE BRAZILIAN NOTE. HE CAUTIONED THAT BRAZILIAN AUTHORITIES MUST TAKE INTO ACCOUNT THE FACT THAT COFFEE MARKETS TODAY ARE EXTREMELY NERVOUS AND THAT ANY ACTIONS SUCH AS THE REPORTED PURCHASE WILL BE CLOSELY ANALYZED AND INTERPRETED IN TERMS OF MOTIVES AS WELL AS THEIR MARKET IMPACT. HE SUGGESTED THAT BRAZILIAN AUTHORITIES SHOULD SEEK TO REDUCE OPPORTUNITIES FOR MISUNDERSTANDINGS. HE CITED A REUTERS REPORT FROM RIO EARLIER IN THE DAY THAT A BRAZILIAN STATE TRADING COMPANY HAD PURCHASED 560,000 BAGS OF SALVADORIAN COFFEE. THE AMBASSADOR WAS NOT AWARE OF THAT REPORT AND DID NOT COMMENT ON IT.

5. THE AMBASSADOR AND BOSWORTH AGREED ON A CONTINUING NEED FOR A FRANK EXCHANGE OF VIEWS ON COFFEE MATTERS.

6. COMMENT: THE AMBASSADOR WAS CLEARLY TAKEN BY SURPRISE BY THE REPORTED PURCHASE OF 560,000 BAGS. IF CONFIRMED, SUCH AN AMOUNT WOULD APPEAR TO BE WELL IN EXCESS OF BRAZIL'S NEEDS TO SUPPLY ITS FREEZE-DRIED INDUSTRY. THE DEPARTMENT WILL PREPARE FURTHER ANALYSIS AND INFORM POSTS OF ITS CONCLUSIONS. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE189085
Document Source: CORE
Document Unique ID: 00
Drafter: TJO'DONNELL:BLO
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760295-0170
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976073/aaaaacly.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BRASILIA 6611, 76 RIO DE JANEIRO 2825
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2004 by buchant0>; APPROVED <08 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BRAZILIAN PURCHASE OF EL SALVADORIAN COFFEE
TAGS: ETRD, EAGR, BR, ES, ICA
To: BRASILIA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006